Revision of the Business Combination Guidelines

Business Combination Guidelines : Guidelines to Application of the Antimonopoly Act Concerning Review of Business Combination (May 31, 2004)

Background and Circumstances of the Revision

・Importance of Innovation

Against the backdrop of changes in the economic environment surrounding Japan, including progress in digital technology, climate change, and the shrinking market due to a population decrease, the importance of promoting innovation and strengthening international competitiveness has been increasing.

(“Proactive Development of Competition Policy for Promotion of Innovation” was published.(January 28, 2026))

・New Social Challenges

Changes in the global economic situation and other factors have made improving and maintaining security of supply and enhancing environmental performance increasingly important social challenges.

・Accumulation of Case Experience

The JFTC has accumulated experience in reviewing business combinations while taking into consideration the actual state of the Japanese economy, including increasing competitive pressure from overseas and the shrinking market due to a population decrease.

・International Trends

New guidelines have been formulated or are under development in the United States, the EU, the United Kingdom, and other jurisdictions.

Key Points of the Revision

(a). Expressly providing that improvements and maintenance of security of supply, enhancement of environmental performance (including reduction of greenhouse gas emissions), and the creation of new products through expanded investment and promotion of innovation are to be taken into consideration.

(b). Expressly providing that long-term market conditions are to be taken into consideration with respect to import pressure, efficiency (including promotion of innovation), and other matters.

(c). Additional provisions reflecting recent cases and the approaches taken in guidelines (drafts) of other jurisdictions.

Key Points (a) and (b)

(a) Expressly providing that improvements and maintenance of security of supply, enhancement of environmental performance, and the creation of new products through expanded investment and promotion of innovation are to be taken into consideration.

・Expressly providing that security of supply and environmental performance (including greenhouse gas emissions) constitute means of competition for the acquisition of customers.

・Expressly providing that where improvements in efficiency resulting from a business combination are expected to bring about improvements and maintenance of security of supply, enhancement of environmental performance (including reduction of greenhouse gas emissions), or the creation of new products through expanded investment and promotion of innovation, such improvements are to be taken into consideration as pro-competitive effects.

(b) Expressly providing that long-term market conditions are to be taken into consideration with respect to import pressure and other matters.

・Expressly providing that where import pressure is expected to work at a future point in time due to anticipated changes in market structure, long-term market conditions are to be taken into consideration.

・Expressly providing that long-term market conditions are similarly to be taken into consideration with respect to entry, competitive pressure from related markets, competitive pressure from users, efficiency (including promotion of innovation), financial conditions of the company group, and the size of a particular field of trade (including the approach that a business combination may be cleared where it is difficult to maintain competition among multiple business operators due to the shrinking market and other factors).

Key Points (c)

(C) Additional provisions reflecting recent cases and the approaches taken in the EU public comment draft and guidelines of other jurisdictions

・Additional provisions reflecting recent cases and the casebook on economic security, covering cases where import pressure, competitive pressure from related markets, and competitive pressure from users work, as well as cases involving remedies.
(For example, additional provisions covering cases where imported products remain competitive even where tariffs exist, and cases where competitive pressure works from the indirect users (users trading with direct users.))

・Additional provisions reflecting the content of guidelines (drafts) of other jurisdictions (for example, competitive analysis relating to purchasing markets, etc.).

Proactive Development of Competition Policy for Promotion of Innovation

-Roles of the Japan Fair Trade Commission in Our Changing Times-

- The Japanese economy, which is at a major turning point due to a complex wave of changes such as digitization and responses to climate change issues, faces various challenges such as a population decrease and rising costs of raw materials. Even under these circumstances, in order for Japan to achieve sustainable economic growth and demonstrate its competitiveness in the international economy, it is important to improve productivity. For that, the creation of innovation is crucial. The JFTC will develop competition policy particularly with the aim of promoting innovation by fostering an environment in which enterprises can demonstrate their ingenuity to the fullest extent.

- The JFTC **will steadily implement various measures under the three pillars of ensuring a fair trading environment by ensuring fair transactions, promoting a competitive market environment through dialogue with stakeholders, etc. such as relevant enterprises and consumers, and strict law enforcement against violations.** By doing so, we will promote innovation and help enterprises improve their productivity, and thereby contribute to the realization of a strong Japanese economy that will grow sustainably and, ultimately, prosperous lives for citizens.

- **Ensuring a fair trading environment for promoting the creation of added value of products and services throughout Japan**

  [Example Measures] Area-wide enforcement of the SME Transactions Act, etc., further establishment of appropriate price pass-through across supply chains, enforcement of the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators

- **Promoting a competitive market environment through dialogue with stakeholders , etc. for properly responding to the rapid changes in the economic and social environment, including the advancement of a digital society, the realization of a green society, and economic security**

  [Example Measures] Implementation of the Mobile Software Competition Act and Merger Review, conducting fact-finding surveys, establishment and revision of guidelines and casebooks, etc., responding to consultations from enterprises

- **Strict law enforcement against violations, a fundamental task of the JFTC and which underpins ensuring a fair trading environment and promoting a competitive market environment**

  [Example Measures] Strict law enforcement against abuse of a superior bargaining position, etc. that unfairly disadvantages SMEs (small- and medium-sized enterprises), etc., blocking of new entrants and unfair elimination of competitors, unfair price increase (price-fixing cartels, etc.) for goods, etc. closely related to lives of citizens